

**BEFORE THE**  
**LOUISIANA PUBLIC SERVICE COMMISSION**

**In re: Investigation Regarding the                    )**  
**Feasibility of Implementing a Renewable    )**       **Docket No. R-28271**  
**Standard Portfolio for the Jurisdictional    )**  
**Electric Utilities in the State of Louisiana )**

**Geaux Green**  
**Green Pricing Tariff – Pilot Program**  
**2<sup>nd</sup> Quarterly Report**

**October 2007**

**Green Power Pilot Program Quarterly Report  
October 2007**

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## I. Introduction

In Docket R-28271, the commission approved the implementation of a voluntary Green Pricing Tariff (GPT) pilot program at Entergy Gulf States, Inc (“EGS”). This program titled *Geaux Green* began April 1, 2007 and is scheduled to run until March 31, 2008. It offers all customer classes the opportunity to purchase 100 kWh blocks of green power for a price premium of \$2.25 per block. Customers that choose to participate and remain in EGS’s service territory must commit to remain in the program until completion of the pilot.

General information about the *Geaux Green* program is available on the website [www.geauxgreen.com](http://www.geauxgreen.com). Additional program details can be obtained by either requesting an informational packet and contract from [www.geauxgreen.com](http://www.geauxgreen.com) or by calling the dedicated *Geaux Green* number 1-877-847-3364. Customers ready to participate can complete the contract sent with the information packet and return it in the pre-addressed envelope or download the contract and mail it back.

## II. Energy Delivered

### *Geaux Green* Energy Delivered (April – September)

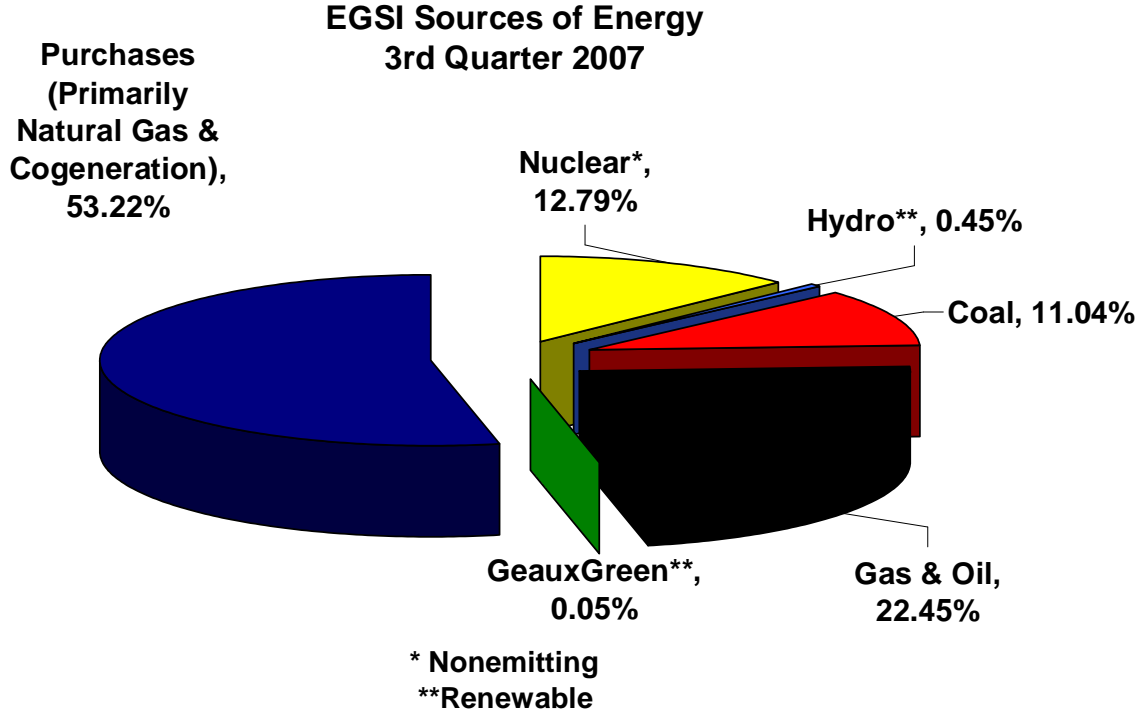
- **Lacassine** No Energy Delivered

- **Agrilectric**

	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>July</b>	<b>Aug</b>	<b>Sep</b>
MWh	1,842	1,165	1,708	1,972	1,732	1,893
Avg Avoided Cost	5.5¢	5.6¢	5.5¢	5.1¢	5.7¢	4.6¢
<i>Geaux Green</i> Payment	5.9¢	5.9¢	5.9¢	5.9¢	5.9¢	5.9¢

The MWhs generated for this pilot are part of the overall energy portfolio used to meet the energy needs of EGS customers. **Figure 1** shows the 3<sup>rd</sup> quarter 2007 energy source profile for EGS. It is available on [www.geauxgreen.com](http://www.geauxgreen.com) and is updated quarterly. An energy portfolio diagram was included on the August bill insert.

Figure 1



### III. Marketing and Promotional Plan

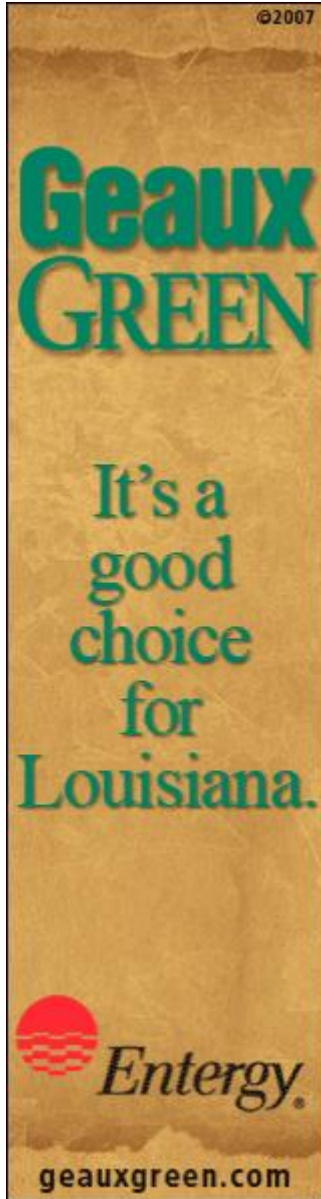
#### A) Marketing Overview

The first quarter of the *Geaux Green* advertising campaign focused on broadcast media and billing contacts (radio, billboards, bill inserts, newspaper, etc.) to provide general education and awareness of the program. This diverse approach allowed multiple opportunities to grab a customer's attention.

In addition to the original advertising rollout, the following general advertising components have been added.

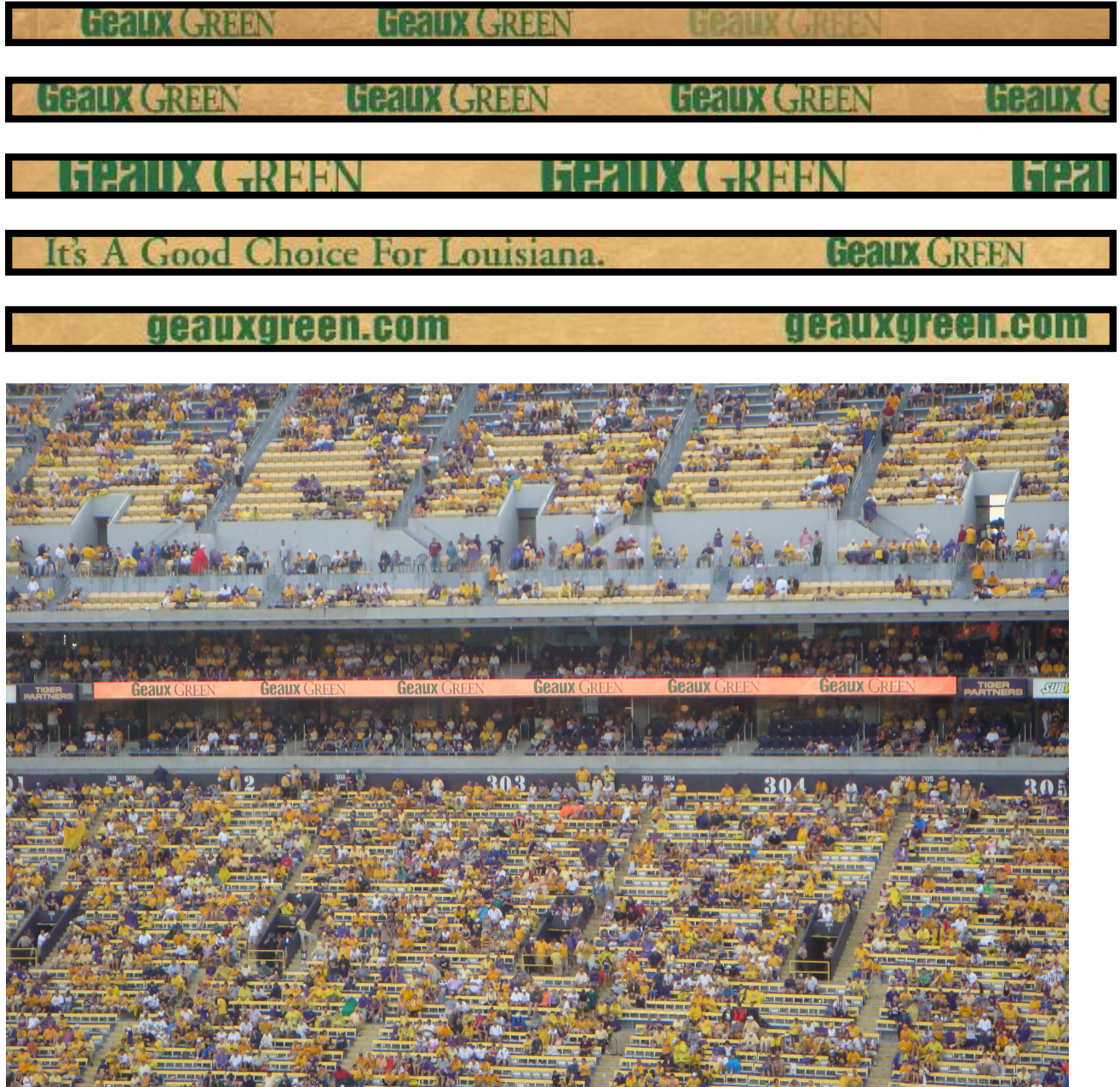
- **Website Banner** – **Figure 2** is the banner advertising that began September on [www.lsusports.net](http://www.lsusports.net). The banner is alternated with a safety message to reduce cost.

**Figure 2**



- **Stadium LCD** – The following five electronic scrolling messages (**Figure3**) are shown in Tiger Stadium during all L.S.U. home games. The stadium capacity is approximately 92,000 and the ads appear two or three times per game.

Figure 3



### B) Summary of *Geaux Green* Marketing Customer Touches

The following statistics illustrate the number of customer interactions as of third quarter 2007.

- **Radio and Billboard**
    - Baton Rouge Effective Reach = 88.5%
- In the Baton Rouge market, 403,340 adults 18+ have seen or heard the Entergy *Geaux Green* message at least three times.

- Lafayette Effective Reach = 90.4%  
In the Lafayette market 343,700 adults 18+ have seen or heard the Entergy *Geaux Green* message at least three times.
- Lake Charles Effective Reach = 87.8%  
In the Lake Charles market, 119,232 adults 18+ have seen or heard the Entergy *Geaux Green* message at least three times.
- **Internet** (www.geauxgreen.com) – 1,907 total views with 1,368 coming from unique accounts
- **Bill Inserts** – 1,334,445 delivered (March – 280,902, April – 350,352, May – 179,493, June – 171,634, September – 352,064)
- **Bill Messages** – Monthly customer bill messages announcing the availability of Green Power and the *Geaux Green* website ran May 15 - July 16.

#### IV. Customer Response as of Quarter End (September 30, 2007)

**Figure 4** shows metrics regarding customer expressing interest in the program and those that have purchased blocks of power. In addition, **Figure 5** and **Figure 6** show Commercial and Industrial Accounts billed and Customers billed by Zip Code as of September 30, respectively.

**Figure 4**

##### Customers Expressing Interest

<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Total</b>
774	110	76	32	40	31	1,063

##### Customers Billed

	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
Residential	49	143	184	206	214
Commercial	4	10	15	18	18
Industrial	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	54	154	200	225	233

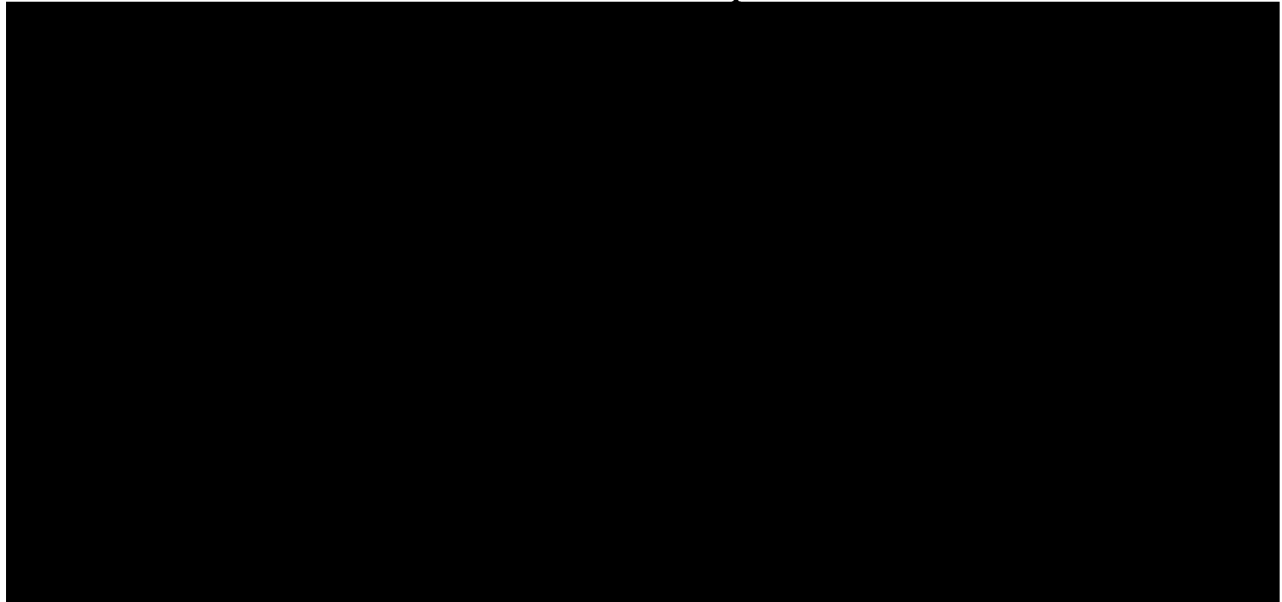
### Energy Blocks Billed

	May	Jun	Jul	Aug	Sep	Total
Residential	269	724	944	1,013	1,067	4,017
Commercial	31	69	1,084	1,136	1,141	3,461
Industrial	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>5</u>
Total	301	794	2,029	2,150	2,209	7,483

All customers that contracted for green power in April did so after their billing occurred. Blocks sold in this month appear in the May totals.

**Figure 5**

### Commercial and Industrial Customers billed as of September 30





**Figure 6**

***Geaux Green Customers Billed in September by Zip Code***

<b>Zip Code</b>	<b>Count</b>	<b>Zip Code</b>	<b>Count</b>	<b>Zip Code</b>	<b>Count</b>
70806	37	70663	3	70578	1
70808	34	70665	3	70592	1
70605	18	70737	3	70647	1
70810	17	70775	3	70661	1
70809	15	70546	2	70669	1
70817	9	70615	2	70710	1
70601	8	70714	2	70726	1
70769	8	70748	2	70734	1
70802	7	70767	2	70754	1
70816	7	70805	2	70760	1
70815	5	70508	1	70764	1
70820	5	70518	1	70791	1
70520	4	70529	1	70811	1
70512	3	70555	1	70814	1
70560	3	70558	1	70818	1
70583	3	70559	1	70819	<u>1</u>
70607	3	70570	1	<b>TOTAL</b>	<b>233</b>

## V. Budget

**Figure 7** contains a summary level budget for the *Geaux Green* Program. Pursuant to Order R-28271, EGS was directed to develop a marketing and implementation plan to include incremental costs not to exceed \$500,000. Budget details were provided to and discussed with the Staff during the development of the program. The Staff and the Company agreed to keep approximately 20% of the program's budget reserved for contingency use during the initial budgeting process. As of September 30, 2007, approximately 72% of the non-reserved and 56% of the total budget has been spent.

**Figure 7**

### Geaux Green Initial Program Incremental Budget

		<b>Program Budget</b>	<b>YTD Spending</b>	<b>Remaining Budget</b>
I	Media Placement			
	Radio	\$ 92,652	\$ 59,508	\$ 33,144
	Outdoor	\$ 55,515	\$ 54,276	\$ 1,239
	Online	\$ 9,707		\$ 9,707
	Print	\$ 15,000		\$ 15,000
	Media Placement Subtotal	\$ 172,874	\$ 113,784	\$ 59,090
II	Bill Inserts, Collateral Educational Material	\$ 53,400	\$ 67,156	\$ (13,756)
III	Research: Follow up Survey	\$ 30,000	\$ 21,000	\$ 9,000
IV	Affinity Marketing	\$ 35,000	\$ -	\$ 35,000
V	Trademark	\$ 650	\$ 4,870	\$ (4,220)
	Total Marketing / Promotion / Production	\$ 291,924	\$ 206,810	\$ 85,114
VI	Programming / Billing	\$ 100,000	\$ 75,500	\$ 24,500
VII	Budget Total	\$ 391,924	\$ 282,310	\$ 109,614
VII	Budget Reserve		\$ 500,000	
			(282,310)	
			<b>217,690</b>	

## VI. Phase II Grassroots Rollout

### A) Non Managed Accounts

The phase II grassroots program began early August and involved customer service managers (CSMs) meeting with towns, chambers of commerce, police juries, and other organizations to provide an overview of the program. A power point presentation (**Figure 8**) called "The Why and How of Buying Green Power in Louisiana" was given and concluded with a question and answer session. During this initial rollout, CSMs spoke to approximately forty different groups and over 1,200 people. At these events, informational and sign-up packets were available.

Figure 8



## The why and how of buying Green Power in Louisiana

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## What is Green Power?

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- What Is Green Power?
- Green Power is a popular name for electricity generated from renewable energy sources. It is purchased voluntarily by consumers and businesses who want to do their part to reduce greenhouse gases and dependence on fossil fuels.
- What Are Renewable Energy Sources?
- Biomass, hydroelectric, wind, solar, and geothermal are all considered renewable, earth-friendly, Green Power sources.
- What Is The Benefit Of Using Green Power?
- The more Green Power we use, the less fossil fuels we need to generate electricity. Green Power preserves limited resources and reduces greenhouse gas emissions believed to contribute to global climate change.
- How do I benefit?
- You can personally reduce the greenhouse gas emissions that you "generate" by using electricity by purchasing green power.



## How can I help the environment by buying Green Power in Louisiana?

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- Beginning in April 2007, Entergy Gulf States will implement a voluntary pilot program called Geaux Green to give you the option, for a minimal monthly fee, to have a specific portion of your bill devoted to the purchase of power generated from renewable resources located in Louisiana
- Why Is Entergy Offering Green Power?
- Entergy Gulf States is working closely with the Louisiana Public Service Commission to gauge consumer interest in purchasing renewable power. This pilot program will also help stimulate the development of renewable energy resources in Louisiana.



## Where does this Green Power come from?

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- All power generated for this program will be produced in Louisiana using biomass fuels from agricultural byproducts grown in Louisiana. The use of biomass fuels helps to strengthen Louisiana's economy by opening new markets to Louisiana farmers and agricultural businesses for materials that might otherwise go unused.
- Green Power Sources:
- The 40,000 megawatt-hours (MWh) generated for the Geaux Green pilot program will come from two biofuel plants. The Lacassine cogeneration plant will provide 19,000 MWh. It began operating in 2006 and produces energy by burning bagasse, the fibrous remains left after juice extraction from sugar cane stalks. The Agrilectric power plant will provide 21,000 MWh. It began operating in 1983 and produces energy by burning rice hulls.





## How does it work?

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- Green Power will be sold in blocks of 100 kilowatt-hours (kWh) at a net monthly rate of \$2.25 per 100 kWh block. This rate will be in addition to any other applicable rates and charges for electric service.
- For example, an average household may use 1,000 kilowatt-hours per month. If you choose to purchase 400 kWh (four Green Power blocks of 100 kWh each) of Geaux Green power per month, you would see an additional \$9.00 on your electric bill.



## Sounds Great! How do I sign up?

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- Call 1-877-847-3364 to have a contract mailed to you.
- Or visit: [www.GeauxGreen.com](http://www.GeauxGreen.com)
- Sign-up process: Complete the contract providing your name, account number and the number of blocks you wish to purchase. The contract is returned in a pre-addressed envelope provided by Entergy.





## For more information

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- For More Information or to talk to the Program Coordinator:
  - Mamie Burrell
  - Entergy Louisiana/Gulf States Customer Relations
  - Phone: (225)763-5050
  - Email: [mburrell@entergy.com](mailto:mburrell@entergy.com)
  
- [www.GEAUXGREEN.com](http://www.GEAUXGREEN.com)



### B) Managed Accounts

The larger managed accounts are being reached by two methods.

- **Account Managers** – Account managers have begun discussing this program with their accounts and this effort will be expanded to more accounts in the coming months. This effort led to signing a large commercial customer that began billing in July.
- **PSOL (Powerful Solutions On-Line)** – PSOL is an electronic newsletter. The September 2007 newsletter (**Figure 9**) featured an article on Geaux Green and directed customers to their account manager to sign up. This newsletter was sent to 674 EGS-LA customer representatives and 160 national account representatives.

**Figure 9**

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Have you tried our no-cost Ask an Expert service? For a timely response to your business, energy and technical questions, use the [Ask an Expert](#) electronic form or call us directly at (800) 824-0488.

### GEAUX GREEN: A GOOD CHOICE FOR LOUISIANA

Entergy Gulf States customers in Louisiana now have the opportunity to buy electricity made in Louisiana with renewable or "green" resources such as biomass from agricultural products.



The Louisiana Public Service Commission has approved the state's first pilot program designed to encourage the production of electricity with renewable resources. Entergy Gulf States' 350,000-plus customers in Louisiana have been selected to participate in the program. The pilot began in April and will continue for 12 months.

Under the LPSC's Geaux Green program, customers can sign up for 100 kilowatt-hour blocks of specially-priced "green power." The blocks increase a customer's electric bill by about \$2.25 per block. A customer may purchase as little as one block a month for an increase of \$2.25. A residential customer who uses about 1,500 kilowatt hours per month and chooses to purchase 15 blocks to cover the entire average monthly bill will pay about \$33.75 more per month.

Commercial and industrial customers can also take advantage of the LPSC's program. Customers who elect to purchase 100 MWh per month (1,000 Green Power blocks of 100 kWh each) of Geaux Green power per month would see an additional \$2,250 on their monthly electric bill.

The pilot will measure customer interest in purchasing power from renewable resources, the amount of renewable resources available in the state and the prospects of developing new technologies within Louisiana that would manufacture electricity using renewable resources.

Agrilectric Power Inc. of Lake Charles, which makes electricity burning rice hulls, and Lacassine Mill LLC near Jennings, which uses sugarcane bagasse, the woody pulp that remains after sugar is extracted, have contracted to provide the necessary power during one year of the pilot.

Should enough customers elect to participate, the demand for renewable resources in the state could grow, fostering the development of new technology and helping to diversify the state's energy supply portfolio.

For more information about Geaux Green, [click here](#).

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## **VII. Customer Survey**

A survey was conducted to understand consumer insights and opinions regarding Green Power in Louisiana and on the *Geaux Green* program.

### **A) Process**

The survey was conducted by Market Dynamics Research Group using standard telephone interviewing methodology. The interviews occurred between September 5 and 16 and had three groups of participants drawn from EGS-LA customers.

- **Random** – Not participating in the program and not expressed interest in the program.
- **Interested** – Expressed interest in the program by requesting Geaux Green packet but decided not to participate.
- **Participants** – Currently participating in the program.

## **B) Report Findings**

The survey's intent was to assess customers' understanding of the green power concept and the Geaux Green program, determine the effectiveness of the advertising campaign, and gain an understanding of how demographic differences influenced acceptance.

- **Customer Understanding**

The general awareness of the concept of green power and the fact that it is produced from renewable resources is high with 75% of random and 100% of interested and participating customers having heard the term green power and aware that it is generated from renewable sources. Of those aware of these terms, the most popular mentioned benefit of green power was that it was an environmentally friendly process.

- **Advertising Campaign**

As previously mentioned, the advertising campaign for Geaux Green has been extensive with the use of multiple channels to reach customers. The success of this campaign was probed in the survey by asking customers if they had a "Total Awareness" of Geaux Green. "Total Awareness" required respondents to be aware of the informational campaign's name, the utility sponsoring the program, and the basic tenant that the program gave customers the option of paying a small monthly fee to pay for renewable energy sources. This "Total Awareness" was expectedly high among the interested and participant classes, 83% and 100% respectively. Total awareness among random customers was lower at 27%. Of these customer classes, most commented that the Geaux Green program was about renewable energy for EGS customers and between 40% and 50% remembered seeing or hearing the Geaux Green campaign within thirty days prior to the interview. The ad content typically recalled was either the Geaux Green program name or program information and how to sign up.

- **Customer Participation**

The customer participation questions sought to understand the drivers of customer participation or non participation. For participating customers, the most highly cited reason was concern for the environment. For the interested and random groups, the lack of participation was mainly due to cost or lack of understanding about the program. Additionally, interested and participating customers differed significantly from random on their belief that renewable energy was a necessity. While these groups differed on some questions, they had a similar opinion about mandatory renewable energy programs. The majority of all three classes, with a high of 79% in the random class, opposed mandatory renewable energy programs.

- **Demographics**

The demographics on race, gender, and education showed that better educated respondents, women, and minorities are more likely than others to see renewable energy as needed for environmental protection and energy conservation.



## **VIII. Future Actions**

### **A) Program Communication**

The main focus of the pilot program's first quarter was on general advertising to achieve program and concept recognition. It focused heavily on program details and specifics about the generation resources. EGS is reviewing this general advertising to determine if any changes to the advertising, advertising channels, or target group would reach a larger audience.

Specifically, due to feedback from the customer survey, EGS will place more emphasis on the cost of the program highlighting that participation can begin with as little as \$2.25 per month. This second quarter general advertising was supplemented with meetings between customer service managers and local organizations to make the marketing more direct and personal. Both of these approaches will continue to be used and new opportunities such as the Tiger Stadium advertising will be explored as the opportunity arises. EGS is also working on production of a public service announcement style ad for television and radio that will highlight the program and its minimal customer participation cost.

**B) Customer Recognition** – EGS will explore giving “bumper sticker” type customer recognition to customers that participate in Geaux Green. This recognition will allow both residential and commercial customers the display their involvement in supporting renewable resources as well as provide additional advertising opportunities.

**C) Streamline Customer Sign-Up** – The customer sign-up process previously required a customer to request information and a contract and then mail the signed contract back to EGS. This process was necessary for survey purposes. As mentioned previously, there were three categories of survey respondents, random, interested, and participant. While random and participant customer accounts could be obtained from company records, interested accounts could not. Now that the required survey is complete, EGS has streamlined the process by allowing customers to download the contract from [www.geauxgreen.com](http://www.geauxgreen.com). In addition to the download, EGS is working on a process to allow online signup.

## **IX. Summary**

The Geaux Green program received a boost in July from a large commercial customer that made a 1,000 block monthly commitment. In September, the month with the highest participation to date, 233 of EGS-LA's 369,284 customers participated. Of the 40,000 MWh available for the pilot, approximately 748 MWh or 1.9% has been sold. When current participation is projected through March 2008, approximately 5% of the 40,000 MWh program has been sold.

Interest in participating in the program appears to be waning. The inaugural month showed a relatively large request for information and contracts (774 mailed); however, packet requests have markedly dropped reaching a low of thirty-one in September. During this program, EGS has had a significant advertising campaign. This campaign has been supplemented via a grass roots effort to reach customers at various civic events and forums. In the third quarter, EGS will broaden its existing effort to reach large commercial and industrial customers. As stated previously, the EGS advertising campaign has evolved and will continue to change as opportunities arise and are within the scope of the Geaux Green advertising budget.

Similar to the last report, customer comments have mainly focused on cost and alternative renewable energy participation. Customers routinely comment that they do not want to pay the premium or believe renewable power is good but should not cost extra. Additionally, EGS continues to receive requests from customers interested in solar or wind power.